



# Board of Trustees Minutes

September 21, 2016 at 12:00 pm

Board Members Attending: Kent Misener and John Lunt.

Board Members Attending via Phone: David Nixon.

Board Members Absent: David Damschen and Duane Madsen.

Others Attending: Peter Madsen, SITFO; Allen Rollo, Treasurer's Office; Kirt Slaugh, Treasurer's Office; Bryan Nalder, Utah AG; Michael Green, Utah AG; Ryan Kulig, SITFO; Nathan Barnard, SITFO; David Center, FEG; Christian Busken, FEG; Paula Plant, USBE – SCT; Natalie Gordon, USBE – SCT; Karen Rupp, USBE – SCT; Margaret Bird, Univ. of Utah, USU, MH, SM, NS; Tim Donaldson, USBE – SCT; Tracy Miller, Utah PTA.

## 1. Call Meeting to Order

Mr. Misener called meeting to order. He noted Mr. Damschen and Mr. Duane Madsen are absent. He also noted that Mr. Nixon is participating via phone.

## 2. Administrative

- a. **Approval of Minutes** – Mr. Lunt was not present at the prior meeting so abstained from voting. Mr. Misener suggested we approve the minutes at the next meeting when more Board members are present. The minutes will be reviewed and approved at the October meeting.
- b. **Fund Cash Flows** – Mr. Peter Madsen introduced the fund cash flow table and noted that this is a substitute for the work flow this month. Mr. Kulig spoke about the specific flows and noted that SITFO plans to turn over a quarter of the portfolio by year end.
- c. **Fiscal Year 2018 Budget** – Mr. Peter Madsen introduced the FY 18 budget. He asked the Board to approve the budget as presented but also to approve the agency to seek a budget increase of \$21,000 through the legislative process. Mr. Lunt made to motion to approve the FY 18 budget as presented and to approve the agency to seek a budget increase. Mr. Nixon seconded the motion and the motion passed.

Record of vote:

Mr. Damschen: Absent

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Absent

- d. **Custody Update** – Mr. Peter Madsen reviewed the final RFP evaluation of the two finalists in the custodian search. He recommended that Northern Trust be selected as the custodian based on the factors outlined in the report. Mr. Nixon made the motion to authorize the Treasurer to sign the custodian contract. Mr. Lunt seconded the motion and the motion passed.

Record of vote:

Mr. Damschen: Absent

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Absent

- e. **SCT Update** – Mrs. Miller issued an update on Amendment B. She noted a Facebook page has been set up and already has 479 members. She continued to say the Chamber has sponsored a website in support of the amendment and that should go live in the coming weeks.

### 3. Research Update

- a. **Real Assets Update** – Mr. Peter Madsen reviewed the investment process and introduced Christian Busken, Head of Real Assets at FEG. Mr. Busken outlined the investment review process that is conducted by FEG prior to an investment recommendation. He presented a private equity recommendation to the Board that is being funded by SITFO.
- b. **Income Update** – Mr. Barnard reviewed the Income structure and introduced two investments that are expected to be funded within the next month. He expects to continue funding income managers and to continue to build out the structure into next year.
- c. **Defensive Update** – Mr. Peter Madsen reviewed the defensive structure and noted he plans to begin funding CTA managers within the next month.

#### 4. Investment Review

Mr. Kulig reviewed the current asset allocation of the portfolio as well as the anticipated asset allocation by year end. He reviewed the current investment performance of the portfolio and noted the weak performance is mostly driven by the underperformance of the active equity funds.

#### 5. Adjourn

Mr. Lunt made the motion to adjourn. Mr. Nixon seconded the motion. Mr. Misener voted in favor. The meeting was adjourned.

Record of vote:

Mr. Damschen: Absent

Mr. Lunt: Yes

Mr. Nixon: Yes

Mr. Misener: Yes

Mr. Duane Madsen: Absent